

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2330 - SB 2288**

March 30, 2009

**SUMMARY OF BILL:** Revises multiple governing provisions regarding motor vehicles and motor carriers. Among such changes are the adoption of rules and regulations of the U.S. Department of Homeland Security relative to the issuance of REAL ID licenses, and the adoption of rules and regulations of the Federal Motor Carrier Safety Administration relative to the issuance of commercial driver licenses.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue –**

**\$69,300/FY09-10**

**\$104,000/FY10-11 through FY13-14**

**\$136,600/FY14-15 and Subsequent Years**

**Increase State Expenditures - \$60,000/One-Time**

Assumptions:

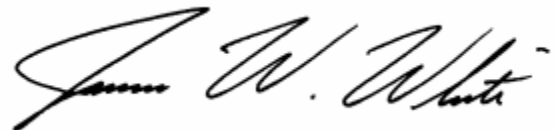
- DOS indicates one-time state expenditures for staff training and for the development and distribution of brochure information outlining all new requirements.
- DOS projects approximately 450 employees will require training. According to DOS, staff can be trained for approximately \$100 per person. Therefore, the one-time increase to state expenditures for employee training is estimated to be \$45,000 ( $450 \times \$100 = \$45,000$ ).
- Additional one-time state expenditures for the development and distribution of brochure information estimated to be \$15,000.
- The total increase to one-time state expenditures is estimated to be \$60,000 ( $\$45,000 + \$15,000 = \$60,000$ ).
- According to DOS, there are approximately 52,000 individuals over the age of 60 that are issued non-photo licenses each year. The cost for obtaining a non-photo license is \$17.00.
- According to DOS, these individuals will have the option of obtaining a REAL ID photo license. DOS projects that 80 percent (41,600) will

choose to obtain a REAL ID photo license. The cost to obtain a REAL ID photo license will be \$19.50. The resulting increase to state revenue is estimated to be \$104,000 per year  $[(41,600 \times \$19.50) - (41,600 \times \$17.00) = \$104,000]$ . Given the November 1, 2009 effective date, the increase to state revenue for FY09-10 is estimated to be \$69,300 (or 66.67 percent of the first full-year impact).

- According to DOS, there are approximately 4,294 individuals over the age of 65 that are issued non-expiring identifications each year. The cost for obtaining a non-expiring identification is a one-time fee of \$9.50. The state does not receive any subsequent revenue from renewals of non-expiring identifications.
- DOS projects that 80 percent (3,435) will choose to obtain REAL ID photo licenses with expiration dates. As a result, the state will begin to receive renewal fees of \$9.50. REAL ID photo licenses will be valid for a period of five years. Therefore, an additional increase to state revenue of \$32,600  $(3,435 \times \$9.50 = \$32,633)$  per year beginning in FY14-15.
- Based on the information provided by DOS, all other provisions of this bill is not expected to generate a fiscal impact to state revenue or expenditures beyond not significant.

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with a large initial "J" and "W".

James W. White, Executive Director

/rnc